

COGNITION HOLDINGS LIMITED  
 Incorporated in the Republic of South Africa  
 (Registration number: 1997/010640/06)  
 Share code: CGN ISIN: ZAE000197042  
 ("Cognition" or "the Group" or "the Company")

SHORT FORM ANNOUNCEMENT - UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS  
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

REVENUE t	-15.9%
GROSS PROFIT t	-9.1%
PROFIT BEFORE TAX t	+7.5%
PROFIT FOR THE PERIOD t	+8.7%
EARNINGS PER SHARE t	+14.0%
HEADLINE EARNINGS PER SHARE t	+15.4%
NET TANGIBLE ASSET VALUE PER SHARE *	+9.3%
NET ASSET VALUE PER SHARE *	+3.1%

t - Compared to the 6 months ended 31 December 2019

\* - Compared to 30 June 2020

Financial Position as at:		31 Dec 2020 (Unaudited)	31 Dec 2019 (Unaudited) *Restated	30 Jun 2020 (Audited)
	Change	R'000	R'000	R'000
Total assets	-3.2%	309 196	319 323	294 146
Cash and cash equivalents	37.1%	94 611	68 984	85 704
Capital and reserves	-4.5%	245 254	256 726	234 122
Total liabilities	2.1%	63 942	62 597	60 024

Financial Performance for the period:

		Unaudited 6 months ended 31 Dec 2020	Unaudited 6 months ended 31 Dec 2019 *Restated	Audited 12 months ended 30 Jun 2020
	Change	R'000	R'000	R'000
Revenue	-15.9%	122 610	145 739	263 165
Gross profit	-9.1%	102 182	112 424	213 981
Profit before tax	7.5%	15 764	14 666	(7 285)
Total comprehensive income	8.7%	11 132	10 242	(12 298)
Earnings per share:				
Basic earnings per share (cents)	14.0%	2.93	2.57	(7.90)
Headline earnings per share (cents)	15.4%	2.93	2.54	2.33
Net asset value:				
Net asset value per share (cents)		97.24	104.97	94.31
Net tangible asset value per share (cents)		38.99	36.25	35.68

In general, market conditions remained challenging with certain divisions within the Group continuing to be further impacted by COVID-19 and the restrictions imposed by Government during lockdown, whilst others have managed to "weather the storm" and performed relatively well.

A number of our services within the Group are orientated to businesses ("B2B") who in turn offer our products, services and technology to the end consumer. The impact of COVID-19 has impacted negatively on the businesses of some of our clients who have (at least in the short term) postponed promotional activities and cut back on budgets specifically relating to sponsorships, research and consumer engagement.

The higher unemployment rate coupled with lower consumer disposable income has been evident during the period under review, with consumers reducing spending and engagement.

The prevailing macro-economic conditions associated with COVID-19 and collateral consequences have, nonetheless, required the Group to carefully evaluate its structures, service offerings and cost structures and we have been able, and continue to refine products and service offerings whilst simultaneously reducing operating expenses and maximising efficiencies.

### Prospects

Trading conditions for the majority of the Group companies are expected to remain challenging for the foreseeable future, however, some assets are already showing improvements post the lockdown restrictions.

Our strategy is to continue to focus on extracting maximum efficiencies from each business to stabilise and then grow market share in their respective niche sectors.

We will continue to restructure and re-focus the existing assets within the Group. We are actively seeking acquisitive opportunities to support both the existing business assets and new opportunities in the interest of building shareholder wealth and maximising earnings growth.

#### DIVIDEND POLICY

Given the current uncertain market conditions the Group wishes to preserve its cash resources and the board has therefore resolved not to declare an interim dividend.

Directors: Ashvin Mancha#\* - Chairman, Mark Smith - Chief Executive Officer, Pieter Scholtz - Financial Director, Gaurang Mooney#\* (Botswana), Graham Groenewaldt - Sales Director, Paul Jenkins#\*, Roger Pitt#\*, Marc du Plessis#, Trevor Ahier#\*, Dennis Lupambo#\*, Amasi Mwela# # Non-executive \* Independent

This short-form announcement is the responsibility of the directors. This announcement is only a summary of the information in the full announcement and does not contain full or complete details. The full announcement is available at <https://senspdf.jse.co.za/documents/2021/jse/isse/cgn/interim21.pdf> and can be accessed on the Company's website at [www.cognitionholdings.co.za](http://www.cognitionholdings.co.za) from 11 March 2021. Copies of the full announcement may also be requested at the Company's registered office or the office of the sponsor, Merchantec Capital, at no charge, during office hours. Any investment decision should be based on the full announcement released on SENS and published on the Company's website.

Johannesburg

11 March 2021

Sponsor  
Merchantec Capital